

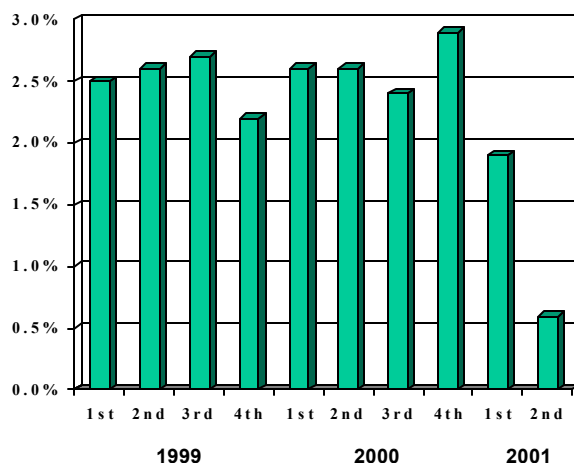
# Salt Lake

## County

January-June  
2001

Things can change in a hurry if you're not paying attention. That's just what happened to the Salt Lake County economy. The economic climate moderated rapidly in the first half of 2001, going from slow to downright lethargic, a change that has caught most people off guard. Not the fact that the economy slowed, but by how rapidly it slowed. In the year ending first quarter of 2001, the county's businesses expanded their employment base by 1.9 percent, a year-over increase of over 10,000 positions. By the second quarter, growth had fallen to just 0.6 percent, an increase of only 3,400 year-over positions. And these are events that occurred before the September 11<sup>th</sup> terrorist attacks, which put a real damper on the U.S. economy. In times past, Utah has dodged national economic downturns, but not this time. The powerful economic expansion that endured in Utah for more than a decade has finally taken a break.

### Salt Lake County Year-Over Growth in Nonfarm Jobs



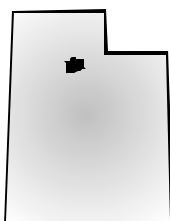
### Just a Business Cycle

But the end of a business cycle is not the end of the world. After all, they are

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## Economic Newsletter

Published December 2001



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# Just the Facts

	1st Quarter		Percent	2nd Quarter		Percent
	2001	2000	Change	2001	2000	Change
Unemployment Rate	3.3%	3.0%		3.7%	3.0%	
<b>Nonfarm Jobs</b>	<b>544,590</b>	<b>534,381</b>	<b>1.9%</b>	<b>547,306</b>	<b>543,924</b>	<b>0.6%</b>
Total Construction (000s)	\$395,514.4	\$280,295.7	41.1%	\$357,889.2	\$457,825.3	-21.8%
<b>New Home Permits</b>	<b>1,415</b>	<b>990</b>	<b>42.9%</b>	<b>1,418</b>	<b>1,344</b>	<b>5.5%</b>
Taxable Sales (000s)	\$3,810,689.5	\$3,656,379.6	4.2%	\$3,864,748.2	\$3,919,677.1	-1.4%



## Summary

- Salt Lake County's economy slowed dramatically in the first half of the year 2001.
- Unemployment rates remain low—at 3.7 percent—but they are creeping upward.
- The job growth rate has actually fallen below the state average.
- The goods-producing sector is experiencing employment declines. Mining, construction, and manufacturing are all losing workers.
- Construction's decline is expected; many pre-Olympic projects are coming to an end.
- The manufacturing decline was not forecasted, but it has been in progress for at least a year.
- Services employment still remains the driving force in the economy, led by health care, biotechnology, and lodging.
- Both computer and communications industry employment have slowed to almost no gain.

called cycles because these expansions and contractions are normal phenomenon in the economic world. A free-market economy such as ours has its adjustment periods. Boom times can produce economic excesses and inefficiencies that are unsustainable. Thus, adjustments occur. These adjustments can be hard on the individuals that are impacted, but when looking at the overall picture, economic downturns are the catalyst for efficiencies to be injected back into the economy. This lays the foundation for the next expansion phase of our economic evolution.

## nonfarm jobs

The Salt Lake County economy has reached an employment level around 547,300. Over 80 percent are employed in service-producing businesses, such as health care, government, and finances. The other 20 percent are in goods-producing businesses: mining, construction, and manufacturing. It is this sector - goods-producing - that is experiencing the worst of the economic downturn. The goods-producing industries employ around 92,000 workers in Salt Lake County, but this is over 3,000 fewer positions than existed a year ago.

## serving you

Service-producing businesses, on the other hand, employ over 455,000 workers; 6,500-positions higher than a year ago. So it's a tale of two economies. But this dichotomy in performance is not new, as historically the goods-producing sector has a much worse track record of rising and falling with the business cycle than does the service-producing side. The upside is that since the service-producing side has become a much larger part of our economy over the past 30 years, the depth and duration of business-cycle downturns have not been as pronounced.

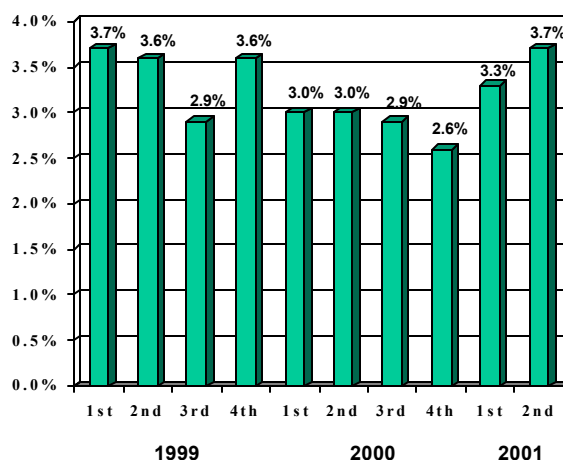
## hurting units

On the goods-producing side, construction and manufacturing are hurting. Manufacturing employment is down by 1,500 positions, and construction by nearly as much. The construction

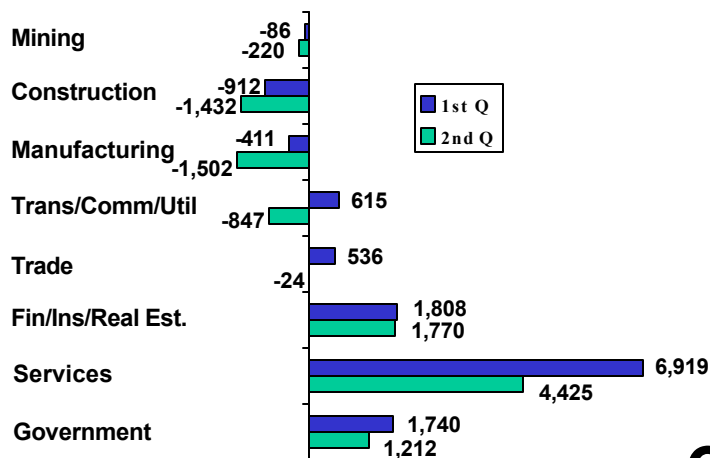
decline is not a surprise; it was anticipated that construction employment would fall in the time immediately preceding the Olympics, as many major pre-Olympic projects come to an end. The current construction slowdown was long-ago forecast. But the manufacturing decline wasn't. Manufacturing is in something that can only be called a recession. In Utah, manufacturing employment has been in decline for over a year. This is better than the national picture, where manufacturing has been in a three-year slump. But one person in a sinking ship for less time than the other is no consolation.

Part of the manufacturing industry's decline is attributed to the prosperity of the late 1990's. The housing-refinance boom that occurred in 1997 put large quantities of disposable income in many Americans' pockets, unleashing a huge amount of pent-up demand for big-ticket items. By 1999 this pent-up demand had turned into spent-up demand; in other words people had bought all the big-ticket items they needed for awhile. Since then, manufacturing has felt these missing dollars. But as time progresses, the next phase of big-ticket purchases draws closer. This probably won't occur till next year at the earliest, so manufacturing can expect at least another half-year or so of dim outlook. But beyond that, there are factors that could signal a welcome,

## Salt Lake County Unemployment Rates



## Salt Lake County Nonfarm Job Growth: 2000-2001



but very modest, improvement in the country's manufacturing outlook.

## constructive thought

Construction is down as pre-Olympic projects wind down in Salt Lake County. The most high-profile was the I-15 reconstruction project. By mid-year of 2001, there were 900 fewer workers on this project than a year earlier when the project was still cranking. But again, this was expected. This isn't the only construction slowdown, though, as there are roughly 700 fewer specialty-trade workers, like plumbers, electricians, masons, and roofers. This latter group has more of an impact on the local economy, as these workers are less transitory (more Utah-based) than the I-15 workforce.

## economic buoys

The service-producing industries are keeping the economy afloat, although not all areas of service-producing industries are growing. The communications sector took a hit with the closing of Teltrust and its 700-odd jobs. But the large groupings of services, government, and financial are all expanding at a strong enough pace to keep the economy pointing positive.

## slowing leader

As usual, services leads the way, but the pace of growth in this industry has slowed substantially in the past year, showing that it too has sensitivity to the overall economic climate. Health care is the big winner here, adding over 1,000 year-over positions. Lodging employment got a boost when the Grand America Hotel came online. Medical labs and biotechnology companies were still showing a positive picture. And the Salt Lake Olympic Committee's (SLOC) expansion before the big show is having its impact of 500-plus positions.

## cyber fiber

Computer service employment gains have evaporated, with this industry showing virtually no gain in the first half of 2001. With announced layoffs as the second half of the year progressed, look for this industry to turn negative when the second half of 2001's numbers are released.

## losing ground

One services area that did go negative in the first half of 2001 was employment provided by the temporary help agencies; down 1,800 workers. The way the economy and hiring practices have developed in the past ten years, one would expect this industry to show the first impacts of a slowing economy. Businesses have shifted to the use of more temporary workers to provide them flexibility in scaling back the labor aspect of their operations when business subsides. So seeing large cutbacks in temporary help is one of the first barometers, and an expected outcome, of a slowing economy.

## public sector

Government employment grew by around 1,200 positions, led by state and local government. Federal government employment is down by 500 positions, but these were temporary positions initiated by last year's Census, so this loss is an anomaly. Education and health care are the

growth factors in state government, and education and government administration are the driving factors at the local level.

## construction

Shifting back to construction and its outlook, construction permitting authorizations were up in the first half of 2001. Total valuation, which includes residential and nonresidential, climbed by 2.1 percent; modest but better than a decline. Residential activity is still showing surprising strength, but nonresidential approvals are down. This is not a surprise, but the fact that valuation is "only" down 4 percent is a pleasant surprise.

## home territory

On the residential side, approved were 2,833 dwelling units, 21 percent higher than first-half 2000. This totaled \$326.4 million in valuation. Approved were 1,811 single-family homes, 40 twin-homes, 430 condominiums, and 518 apartments. Much of the condominium approvals are in Salt Lake City associated with the Gateway project. Salt Lake City approved the most new dwelling units (609), by city, in the first half of the year. Concurrently, West Jordan and West Valley City each approved over 300 new dwelling units.

## nonresidential

As mentioned, nonresidential permit valuation was down 4 percent, but this isn't that bad considering that most analysts expected nonresidential activity to slow in the period just preceding the Olympics. Nonresidential valuation totaled \$279 million, down from \$288 million in the first half of 2000. Some of the major approvals include \$60 million for the Salt Lake City library, \$14 million for the Institute of Religion at the University of Utah, \$11 million for a generating plant in Murray, \$38 million for various retail buildings, and \$52 million for sundry office/warehouse buildings.

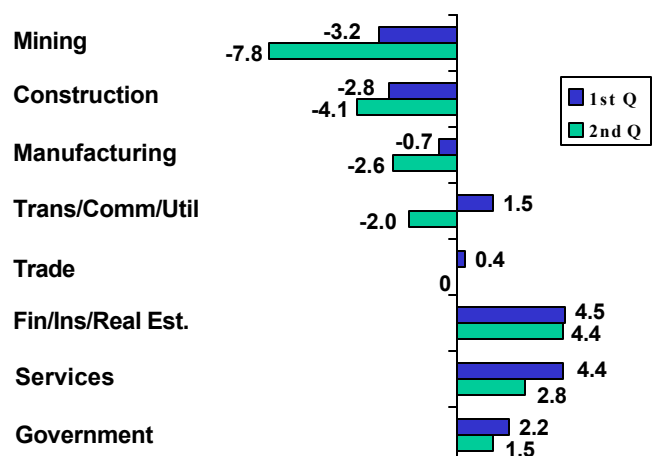
## sales

Taxable sales, which are a barometer of consumer spending, were up a lackluster 1.3 percent in the first half of 2001. Looking at the individual quarters, a different picture may be arising. In the first quarter, sales were up 4.2 percent, a respectable amount. But by the second quarter, sales had declined by 1.4 percent. Taken together, you get the 1.3 percent increase for the half-year, but the direction of movement may lead us to be prepared for negative numbers for the second half of 2001.

## retail

As retail sales account for much of total taxable sales, this is the area to focus upon. Mirroring the overall picture, retail sales were up 2.7 percent in the first quarter, but fell by 1.1 percent in the second quarter. The contrast is seen most prominently in department stores, apparel and accessory stores, furniture stores, and miscellaneous retail. Food stores showed year-over declines in both quarters. Automobile sales generally showed no year-over change.

### Salt Lake County Nonfarm Job Growth: 2000-2001



## services

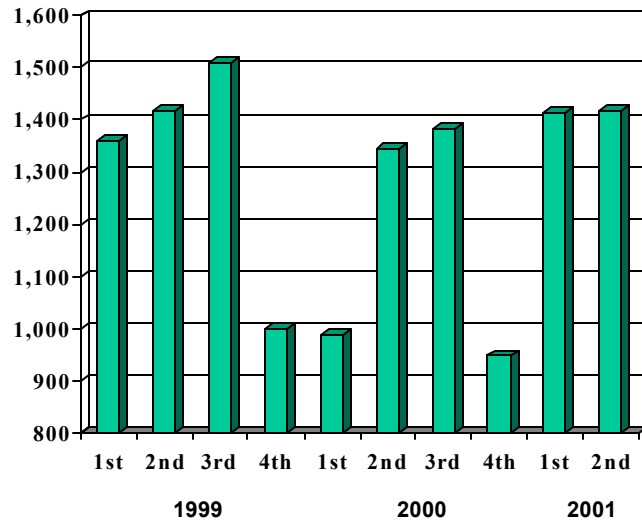
What about services sales? Same picture. Transactions were up a strong 9.4 percent in the first quarter, but fell to 0.9 percent in the second quarter, with a drop in business service sales leading the way. The lodging industry enjoyed a prosperous first half of 2001, seeing sales rise by 20 percent to \$163.9 million.

## finish

From all perspectives, the economic picture is slowing. The national economy began slowing in late 2000. Salt Lake County held off until the first quarter of 2001. In the past, a national economic slowdown didn't necessarily translate into a Utah economic slowdown. For example, the 90-91 recession left Utah untouched. But not this one. It appears that all areas of the United States are affected. This is a technology-induced slowdown, the first in the new information age, and it shows how pervasive technology has become to this nation's economic wellbeing. So we're just getting started with this slowdown, which prompts the question: how long will it last? Economists' opinions are as varied as the wind, but it does appear that this slowdown will last at least into mid-year 2002.

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## Salt Lake County Residential Construction Approvals



# Economic Events

- Tucson, Arizona-based Creative Media Group, an Internet consulting and development firm, will move its corporate headquarters to the former Brooks Arcade building, which is currently being rebuilt by AlphaGraphics as its corporate headquarters building. (Deseretnews.com; 10/27/01)
- American Express Corporation is trimming its worldwide workforce by 6,100 jobs. American Express has a Salt Lake City operation that handles travelers checks and travel and credit cards, employing around 2,400 workers. The company has not specified the exact number of affected Utah workers, but to date has laid-off fewer than 100 workers. (Deseretnews.com; 10/26/01)
- A decision for a new home for the Hansen Planetarium has been reached, and the location is the new Gateway project west of the Delta Center. Construction will begin soon on a 54,000 square-foot facility that will include not only the planetarium dome and big screen, but also space for exhibits, concessions, and administrative offices. A late 2002 opening is planned. (The Salt Lake Tribune, 10/10/01)
- The Gateway project, a \$375-million mixed-use complex, announced that 23 more retail tenants have signed on. Add this to the 50 previously announced tenants, and the project has 73 tenants, only 17 shy of the 90 available locations. (Deseretnews.com; 10/5/01)
- New York-based Starwood Hotels and Resorts Worldwide announced it will close its Salt Lake City reservations call center, idling around 375 workers. Located in the University of Utah Research Park, the call center was one of six call centers the firm has in North America and the only one that is closing. (The Salt Lake Tribune, 10/4/01)
- SkyWest Airlines, in the wake of the September 11 terrorists attacks, canceled plans for expanding flight destinations to Eugene, Oregon; Great Falls, Montana; and Burbank and Monterey, California. SkyWest, Delta Airline's regional carrier out of Salt Lake City, announced no layoffs in the wake of the September 11 tragedy. (The Salt Lake Tribune, 10/3/01)
- A sports-themed restaurant, SkyBox Restaurant, will open in late December in the downtown Gateway project. With seating capacity for 250 people, the restaurant will employ 200 workers. (The Enterprise, 10/1/01)
- Fieldstone Homes plans to break ground on a 479-lot single-family residential project next spring in Herriman. (The Enterprise, 10/1/01)
- In the aftermath of the September 11 events, Delta Airlines announced that it would lay off 15 percent of its domestic workforce beginning November 1. Delta said it would spread the cuts evenly throughout its network. Salt Lake City is one of Delta's western hubs, employing around 4,700 workers. An initial report surfaced that Salt Lake City would be spared a 15 percent cutback, with only 5 percent, or 235, being targeted.

But Delta announced that report is erroneous, and at present can't say how many Salt Lake employees will be let go. The determining factor is how many early retirements and voluntary severances occur throughout Delta's system. If 15 percent of Salt Lake's Delta workforce were laid off, this would amount to around 700 workers. (The Deseret News, 9/28/01)

- The Environmental Protection Agency has completed the cleanup work where the Murray smokestacks once stood. This paves the way for Inter-mountain Health Care (IHC) to begin moving forward with its plans to build a \$350-million hospital campus on the 100 acres. The facility will have 350 beds, 100 more for out-patient care, and make use of 1 million square feet. The campus will be IHC's replacement for the LDS and Cottonwood hospitals. (The Deseret News, 9/25/01)
- State economic developers have become aggressive since September 11 in recruiting new or expanded operations to Utah by offering nearly \$1.4 million in economic incentives. Unisys, with a service center in Salt Lake City, was granted \$700,000 from the Utah Industrial Assistance Fund to add up to 567 employees as part of a company expansion. Goldman Sachs, a leading international investment banking and securities firm based in New York, was granted a loan up to \$100,000 if it will choose Utah over competing New Jersey for a Global Operations expansion. This deal could mean up to 400 new jobs with high salaries. The firm currently employs 80 Utahns in Salt Lake County. (The Salt Lake Tribune, 9/22/01)
- The Salt Lake City Redevelopment Agency (RDA) purchased 4.8 acres for \$3.8 million at 500 West 400 South for the proposed Living Planet Aquarium. The aquarium will be a private venture, and its realization will depend upon the aquarium board's ability to raise \$69 million in private funds. The non-profit aquarium is to be a 90,000 square-foot complex housing 8,000 fish and marine mammals, with targeted completion in 2005. The land purchase by the Redevelopment Agency paves the way for the aquarium, but if the aquarium funds aren't achieved, then the RDA will sell the land. (The Deseret News, 9/20/01)
- Verizon Wireless opened its \$42-million West Valley City call center with 550 employees. The 120,000 square-foot center at 2777 S. Corporate Park Drive has the room to double the existing workforce. (The Deseret News, 8/31/01)
- Computer manufacturer Gateway Inc. will close its Salt Lake City manufacturing plant by the end of October, idling over 600 workers. The planned shutdown is part of the personal computer company's worldwide restructuring that will affect 5,000 workers, or roughly one-quarter of its worldwide workforce. Gateway opened the \$20-million Salt Lake City plant in 1998. (The Salt Lake Tribune, 8/29/01)
- West Jordan has approved a high-density, mixed-use development at 9000 South 5600 West. West Jordan Marketplace will feature 264 apartment and 161 condominium units, 56 single-family 8,000 square-foot lots, 55 acres for retail and commercial, and 11 acres for a new elementary school. The development is scheduled to unfold in five phases, the first this fall. (The Deseret News, 8/28/01)

- If the merger of two European ski lift giants is approved, Salt Lake City will become the company's North American headquarters. The merger of Austria-based Doppelmayr and Switzerland-based Garaventa awaits European approval. If approved, the two companies North American operation will be consolidated at 3160 West 500 South in Salt Lake City. (The Salt Lake Tribune, 8/25/01)
- Communications & Commerce (CommComm), which operates two large call centers in Murray and Salt Lake City, closed its Murray operation after VoiceStream Wireless stopped sending activation and customer service calls to the CommComm facility. Over 900 workers were laid off because of this action. Company spokesmen hope this is just a temporary shut-down. (The Deseret News, 8/18/01)
- Salt Lake City-based Evans & Sutherland Computer Corp. said it is laying off 84 workers, selling a business unit, and closing offices and streamlining other operations. (The Salt Lake Tribune, 8/8/01)
- For the first time in 20 years the University of Utah Hospital is undertaking an expansion. A new \$43-million critical care pavilion is being built largely through private donations. The largest is a \$7-million gift from the George S. and Dolores Eccles Foundation, and the new pavilion will bear their name. The expansion includes a new, larger emergency department. The facility is scheduled for completion by spring 2003. (The Deseret News, 8/7/01)
- The Questar Corporation plans to buy Denver-based Shenandoah Energy Inc. for \$406 million. Shenandoah's property and assets are found primarily in Utah's Uintah Basin. The acquisition will provide Questar with 415 billion cubic feet of additional natural gas reserves. (The Salt Lake Tribune, 7/27/01)
- The Salt Lake development firm The Boyer Company has sold 12 medical office buildings to a California-based real estate investment trust company (REIT). Health Care Property Investors bills itself as the nation's largest healthcare REIT. Most of the buildings acquired are in the University of Utah's Research Park Campus. (The Enterprise, 7/23/01)

# labor market indicators

## Salt Lake County

	First Quarter (January-March)				Second Quarter (April-June)			
	2001(p)	2000	Percent Change	Numeric Change	2001(p)	2000	Percent Change	Numeric Change
<b>Civilian Labor Force*</b>	<b>496,700</b>	<b>477,461</b>	<b>4.0</b>	<b>19,239</b>	<b>496,367</b>	<b>478,793</b>	<b>3.7</b>	<b>17,573</b>
Employed	480,158	462,956	3.7	17,202	478,020	464,571	2.9	13,450
Unemployed	16,542	14,505	14.0	2,037	18,346	14,223	29.0	4,124
Percent of Labor force	3.3	3.0			3.7	3.0		
<b>Total Nonagricultural Jobs**</b>	<b>544,590</b>	<b>534,381</b>	<b>1.9</b>	<b>10,209</b>	<b>547,306</b>	<b>543,924</b>	<b>0.6</b>	<b>3,382</b>
Goods Production	91,135	92,544	-1.5	-1,409	92,118	95,272	-3.3	-3,154
Mining	2,593	2,679	-3.2	-86	2,600	2,820	-7.8	-220
Contract Construction	31,688	32,600	-2.8	-912	33,512	34,944	-4.1	-1,432
Manufacturing	56,854	57,265	-0.7	-411	56,006	57,508	-2.6	-1,502
Service Production	453,455	441,837	2.6	11,618	455,188	448,652	1.5	6,536
Trans., Comm., Pub. Util.	42,402	41,787	1.5	615	41,575	42,422	-2.0	-847
Trade	125,721	125,185	0.4	536	126,068	126,092	-0.0	-24
<i>Wholesale</i>	34,617	34,648	-0.1	-31	34,679	35,121	-1.3	-442
<i>Retail</i>	91,104	90,537	0.6	567	91,389	90,971	0.5	418
Fin., Ins., & Real Estate	42,305	40,497	4.5	1,808	42,296	40,526	4.4	1,770
Services	163,457	156,538	4.4	6,919	164,467	160,042	2.8	4,425
Government	79,570	77,830	2.2	1,740	80,782	79,570	1.5	1,212
<i>Federal</i>	8,388	8,485	-1.1	-97	8,449	8,966	-5.8	-517
<i>State</i>	34,422	33,659	2.3	763	34,903	33,983	2.7	920
<i>Local</i>	36,760	35,686	3.0	1,074	37,430	36,621	2.2	809

\* Seasonally Adjusted      p = Preliminary

\*\* Detail may not add to total due to rounding. Employment covered by Unemployment Insurance laws.

Source: Utah Dept of Workforce Services.

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## Permit-Authorized Construction

	First Quarter (Jan-Mar)			Second Quarter (Apr-Jun)			Semi-Annual Averages		
	2001	2000	Percent Change	2001	2000	Percent Change	2001	2000	Percent Change
<b>Salt Lake County</b>									
New Dwelling Units	1,415	990	42.9%	1,418	1,344	5.5%	2,833	2,334	21.4%
New Residential (\$000)	147,830.8	119,208.8	24.0%	178,585	168,634	5.9%	326,415.6	287,842.3	13.4%
New Nonresidential(\$000)	175,842.7	89,930.6	95.5%	103,165	200,732	-48.6%	279,007.8	290,662.7	-4.0%
Additions/Alterations/Repairs	71,840.9	71,156.3	1.0%	76,139.3	88,459.7	-13.9%	147,980.2	159,616.0	-7.3%
Residential (\$000)	12,024.5	9,439.0	27.4%	35,441	14,702	141.1%	47,465.2	24,141.1	96.6%
Nonresidential (\$000)	59,816.4	61,717.3	-3.1%	40,699	73,758	-44.8%	100,515.0	135,474.9	-25.8%
<b>Total (\$000)</b>	<b>395,514.4</b>	<b>280,295.7</b>	<b>41.1%</b>	<b>357,889.2</b>	<b>457,825.3</b>	<b>-21.8%</b>	<b>753,403.6</b>	<b>738,121.0</b>	<b>2.1%</b>
<b>Draper</b>									
New Dwelling Units	134	82	63.4%	163	121	34.7%	297	203	46.3%
New Residential (\$000)	16,286.8	11,305.3	44.1%	18,970	17,664	7.4%	35,256.6	28,969.3	21.7%
New Nonresidential(\$000)	2,852.1	5,094.6	-44.0%	3,888	6,793	-42.8%	6,740.1	11,887.2	-43.3%
Additions/Alterations/Repairs	2,125.7	865.7	145.5%	989.2	2,531.8	-60.9%	3,114.9	3,397.5	-8.3%
Residential (\$000)	211.7	195.2	8.5%	142	498	-71.6%	353.4	693.6	-49.0%
Nonresidential (\$000)	1,914.0	670.5	185.5%	848	2,033	-58.3%	2,761.5	2,703.9	2.1%
<b>Total (\$000)</b>	<b>21,264.6</b>	<b>17,265.6</b>	<b>23.2%</b>	<b>23,847.0</b>	<b>26,988.4</b>	<b>-11.6%</b>	<b>45,111.6</b>	<b>44,254.0</b>	<b>1.9%</b>
<b>Riverton</b>									
New Dwelling Units	123	71	73.2%	167	80	108.8%	290	151	92.1%
New Residential (\$000)	14,102.4	9,395.3	50.1%	19,109	10,493	82.1%	33,211.7	19,888.6	67.0%
New Nonresidential(\$000)	656.6	808.3	-18.8%	1,289	6,172	-79.1%	1,945.6	6,980.1	-72.1%
Additions/Alterations/Repairs	377.4	509.8	-26.0%	370.6	485.3	-23.6%	748.0	995.1	-24.8%
Residential (\$000)	362.1	474.4	-23.7%	271	287	-5.4%	633.3	761.0	-16.8%
Nonresidential (\$000)	15.3	35.4	100.0%	99	199	-50.0%	114.7	234.1	-51.0%
<b>Total (\$000)</b>	<b>15,136.4</b>	<b>10,713.4</b>	<b>41.3%</b>	<b>20,768.9</b>	<b>17,150.4</b>	<b>21.1%</b>	<b>35,905.3</b>	<b>27,863.8</b>	<b>28.9%</b>
<b>Salt Lake City</b>									
New Dwelling Units	393	110	257.3%	216	70	208.6%	609	180	238.3%
New Residential (\$000)	26,823.0	11,789.9	127.5%	29,744	10,352	187.3%	56,567.1	22,141.7	155.5%
New Nonresidential(\$000)	119,136.0	36,929.9	222.6%	34,429	66,138	-47.9%	153,565.3	103,067.8	49.0%
Additions/Alterations/Repairs	42,251.5	29,651.4	42.5%	48,124.7	44,628.8	7.8%	90,376.2	74,280.2	21.7%
Residential (\$000)	5,600.0	4,175.9	34.1%	27,474	5,317	416.7%	33,073.5	9,492.6	248.4%
Nonresidential (\$000)	36,651.5	25,475.5	43.9%	20,651	39,312	-47.5%	57,302.7	64,787.6	-11.6%
<b>Total (\$000)</b>	<b>188,210.5</b>	<b>78,371.2</b>	<b>140.2%</b>	<b>112,298.1</b>	<b>121,118.5</b>	<b>-7.3%</b>	<b>300,508.6</b>	<b>199,489.7</b>	<b>50.6%</b>
<b>Sandy</b>									
New Dwelling Units	45	54	-16.7%	70	185	-62.2%	115	239	-51.9%
New Residential (\$000)	8,239.8	7,441.5	10.7%	7,741	13,880	-44.2%	15,980.6	21,321.6	-25.0%
New Nonresidential(\$000)	1,171.7	14,882.8	-92.1%	5,861	42,426	-86.2%	7,032.9	57,308.3	-87.7%
Additions/Alterations/Repairs	3,827.3	23,250.2	-83.5%	3,689.1	14,061.5	-73.8%	7,516.4	37,311.7	-79.9%
Residential (\$000)	474.2	540.5	-12.3%	875	812	7.7%	1,348.7	1,352.2	-0.3%
Nonresidential (\$000)	3,353.1	22,709.7	-85.2%	2,815	13,250	-78.8%	6,167.7	35,959.5	-82.8%
<b>Total (\$000)</b>	<b>13,238.8</b>	<b>45,574.5</b>	<b>-71.0%</b>	<b>17,291.1</b>	<b>70,367.1</b>	<b>-75.4%</b>	<b>30,529.9</b>	<b>115,941.6</b>	<b>-73.7%</b>

Source: Bureau of Economic and Business Research, University of Utah.

# Salt Lake County

## Permit-Authorized Construction

	First Quarter (Jan-Mar)			Second Quarter (Apr-Jun)			Semi-Annual Averages		
	2001	2000	Percent Change	2001	2000	Percent Change	2001	2000	Percent Change
<b>South Jordan</b>									
New Dwelling Units	77	73	5.5%	120	89	34.8%	197	162	21.6%
New Residential (\$000)	9,679.0	8,495.3	13.9%	14,588	11,354	28.5%	24,267.0	19,849.4	22.3%
New Nonresidential(\$000)	6,723.0	5,847.1	15.0%	13,099	6,929	89.0%	19,821.5	12,775.7	55.2%
Additions/Alterations/Repairs	157.3	165.4	-4.9%	402.1	474.9	-15.3%	559.4	640.3	-12.6%
Residential (\$000)	157.3	165.4	-4.9%	312	378	-17.5%	469.4	543.8	-13.7%
Nonresidential (\$000)	0.0	0.0	0.0%	90	97	100.0%	90.0	96.5	100.0%
<b>Total (\$000)</b>	<b>16,559.3</b>	<b>14,507.8</b>	<b>14.1%</b>	<b>28,088.6</b>	<b>18,757.6</b>	<b>49.7%</b>	<b>44,647.9</b>	<b>33,265.4</b>	<b>34.2%</b>
<b>West Jordan</b>									
New Dwelling Units	241	157	53.5%	149	138	8.0%	390	295	32.2%
New Residential (\$000)	25,983.4	21,935.0	18.5%	21,171	18,763	12.8%	47,154.5	40,698.0	15.9%
New Nonresidential(\$000)	15,026.9	11,091.6	35.5%	19,588	17,277	13.4%	34,615.1	28,369.0	22.0%
Additions/Alterations/Repairs	3,787.5	1,897.1	99.6%	3,086.7	6,622.7	-53.4%	6,874.2	8,519.8	-19.3%
Residential (\$000)	901.4	356.0	153.2%	667	598	11.7%	1,568.8	953.5	64.5%
Nonresidential (\$000)	2,886.1	1,541.1	87.3%	2,419	6,025	-59.8%	5,305.4	7,566.3	-29.9%
<b>Total (\$000)</b>	<b>44,797.8</b>	<b>34,923.7</b>	<b>28.3%</b>	<b>43,846.0</b>	<b>42,663.1</b>	<b>2.8%</b>	<b>88,643.8</b>	<b>77,586.8</b>	<b>14.3%</b>
<b>West Valley City</b>									
New Dwelling Units	113	151	-25.2%	195	137	42.3%	308	288	6.9%
New Residential (\$000)	8,057.9	9,708.0	-17.0%	14,831	9,686	53.1%	22,888.9	19,394.1	18.0%
New Nonresidential(\$000)	10,842.5	4,847.8	123.7%	2,325	21,711	-89.3%	13,167.3	26,559.2	-50.4%
Additions/Alterations/Repairs	4,960.6	3,126.9	58.6%	8,044.4	6,187.5	30.0%	13,005.0	9,314.4	39.6%
Residential (\$000)	153.9	609.1	-74.7%	417	1,113	-62.5%	570.7	1,721.8	-66.9%
Nonresidential (\$000)	4,806.7	2,517.8	90.9%	7,628	5,075	50.3%	12,434.3	7,592.6	63.8%
<b>Total (\$000)</b>	<b>23,861.0</b>	<b>17,682.7</b>	<b>34.9%</b>	<b>25,200.2</b>	<b>37,585.0</b>	<b>-33.0%</b>	<b>49,061.2</b>	<b>55,267.7</b>	<b>-11.2%</b>
<b>Taylorsville</b>									
New Dwelling Units	38	37	2.7%	60	75	-20.0%	98	112	-12.5%
New Residential (\$000)	5,244.0	4,097.5	28.0%	10,036	10,919	-8.1%	15,279.9	15,016.7	1.8%
New Nonresidential(\$000)	2,283.4	1,097.8	108.0%	6,656	226	2850.3%	8,939.2	1,323.4	575.5%
Additions/Alterations/Repairs	264.5	504.4	-47.6%	1,347.2	2,632.4	-48.8%	1,611.7	3,136.8	-48.6%
Residential (\$000)	100.7	156.1	-35.5%	627	267	134.7%	728.0	423.4	71.9%
Nonresidential (\$000)	163.8	348.3	-53.0%	720	2,365	-69.6%	883.7	2,713.4	-67.4%
<b>Total (\$000)</b>	<b>7,791.9</b>	<b>5,699.7</b>	<b>36.7%</b>	<b>18,038.9</b>	<b>13,777.2</b>	<b>30.9%</b>	<b>25,830.8</b>	<b>19,476.9</b>	<b>32.6%</b>
<b>Other Salt Lake County</b>									
New Dwelling Units	137	116	18.1%	112	237	-52.7%	249	353	-29.5%
New Residential (\$000)	18,502.7	16,979.6	9.0%	19,176	37,847	-49.3%	37,678.8	54,826.7	-31.3%
New Nonresidential(\$000)	748.6	2,563.5	-70.8%	3,278	23,367	-86.0%	4,026.9	25,930.1	-84.5%
Additions/Alterations/Repairs	5,372.3	4,154.9	29.3%	4,526.0	7,343.0	-38.4%	9,898.3	11,497.9	-13.9%
Residential (\$000)	2,848.7	2,058.5	38.4%	3,541	5,012	-29.4%	6,389.4	7,070.9	-9.6%
Nonresidential (\$000)	2,523.6	2,096.4	20.4%	985	2,331	-57.7%	3,508.9	4,427.0	-20.7%
<b>Total (\$000)</b>	<b>24,623.6</b>	<b>23,698.0</b>	<b>3.9%</b>	<b>26,980.4</b>	<b>68,556.7</b>	<b>-60.6%</b>	<b>51,604.0</b>	<b>92,254.7</b>	<b>-44.1%</b>

Source: Bureau of Economic and Business Research, University of Utah.

# sal t Lake County

## Gross Taxable Retail Sales

Standard Industrial Classification	1st Quarter (Jan - March)			2nd Quarter (April - June)			Semi-Annual		
	2001	2000	% Chng	2001	2000	% Chng	2001	2000	% Chng
<b>Agriculture, Forestry &amp; Fishing</b>	<b>\$2,610,231</b>	<b>\$2,453,776</b>	<b>6.4</b>	<b>\$4,633,749</b>	<b>\$3,502,777</b>	<b>32.3</b>	<b>\$7,243,980</b>	<b>\$5,956,553</b>	<b>21.6</b>
<b>Mining</b>	<b>15,742,353</b>	<b>13,232,417</b>	<b>19.0</b>	<b>14,718,304</b>	<b>13,774,432</b>	<b>6.9</b>	<b>30,460,657</b>	<b>27,006,849</b>	<b>12.8</b>
<b>Construction</b>	<b>41,955,630</b>	<b>42,815,153</b>	<b>-2.0</b>	<b>46,108,700</b>	<b>57,931,844</b>	<b>-20.4</b>	<b>88,064,330</b>	<b>100,746,997</b>	<b>-12.6</b>
<b>Manufacturing</b>	<b>170,388,947</b>	<b>167,726,931</b>	<b>1.6</b>	<b>174,265,299</b>	<b>201,244,494</b>	<b>-13.4</b>	<b>344,654,246</b>	<b>368,971,425</b>	<b>-6.6</b>
<b>Transportation</b>	<b>19,956,286</b>	<b>20,576,501</b>	<b>-3.0</b>	<b>21,124,499</b>	<b>19,351,826</b>	<b>9.2</b>	<b>41,080,785</b>	<b>39,928,327</b>	<b>2.9</b>
<b>Communications</b>	<b>225,920,573</b>	<b>179,155,268</b>	<b>26.1</b>	<b>234,541,453</b>	<b>194,253,452</b>	<b>20.7</b>	<b>460,462,026</b>	<b>373,408,720</b>	<b>23.3</b>
<b>Electric &amp; Gas</b>	<b>204,409,077</b>	<b>159,123,634</b>	<b>28.5</b>	<b>122,116,454</b>	<b>98,181,723</b>	<b>24.4</b>	<b>326,525,531</b>	<b>257,305,357</b>	<b>26.9</b>
<b>Total Wholesale Trade Sales</b>	<b>473,257,333</b>	<b>518,012,354</b>	<b>-8.6</b>	<b>509,410,919</b>	<b>559,070,429</b>	<b>-8.9</b>	<b>982,668,252</b>	<b>1,077,082,783</b>	<b>-8.8</b>
Durable Goods	378,263,965	424,552,049	-10.9	415,831,883	453,771,404	-8.4	794,095,848	878,323,453	-9.6
Nondurable Goods	94,993,368	93,460,305	1.6	93,579,036	105,299,025	-11.1	188,572,404	198,759,330	-5.1
<b>Total Retail Trade Sales</b>	<b>1,900,394,477</b>	<b>1,850,431,550</b>	<b>2.7</b>	<b>2,049,739,645</b>	<b>2,073,432,982</b>	<b>-1.1</b>	<b>3,950,134,122</b>	<b>3,923,864,532</b>	<b>0.7</b>
Building and Garden Stores	123,513,621	132,894,028	-7.1	193,407,462	188,753,832	2.5	316,921,083	321,647,860	-1.5
General Merchandise Stores	257,132,472	232,718,521	10.5	283,954,069	278,774,252	1.9	541,086,541	511,492,773	5.8
Food Stores	386,380,089	399,500,717	-3.3	397,245,298	399,705,408	-0.6	783,625,387	799,206,125	-1.9
Motor Vehicle Dealers	376,667,377	372,389,357	1.1	427,760,792	428,384,664	-0.1	804,428,169	800,774,021	0.5
Apparel & Accessory Stores	95,134,848	86,198,910	10.4	101,439,005	99,549,516	1.9	196,573,853	185,748,426	5.8
Furniture Stores	179,220,083	174,524,152	2.7	161,257,849	167,031,767	-3.5	340,477,932	341,555,919	-0.3
Eating & Drinking Places	250,949,619	235,855,159	6.4	247,958,827	242,776,887	2.1	498,908,446	478,632,046	4.2
Miscellaneous Retail	231,396,368	216,350,706	7.0	236,716,343	268,456,656	-11.8	468,112,711	484,807,362	-3.4
<b>Finance, Insurance, Real Estate</b>	<b>59,558,310</b>	<b>58,058,605</b>	<b>2.6</b>	<b>51,498,692</b>	<b>65,231,405</b>	<b>-21.1</b>	<b>111,057,002</b>	<b>123,290,010</b>	<b>-9.9</b>
<b>Total Service Sales</b>	<b>639,678,130</b>	<b>584,885,704</b>	<b>9.4</b>	<b>547,968,326</b>	<b>543,311,844</b>	<b>0.9</b>	<b>1,187,646,456</b>	<b>1,128,197,548</b>	<b>5.3</b>
Hotels & Lodging	97,653,548	75,340,156	29.6	66,251,105	61,312,448	8.1	163,904,653	136,652,604	19.9
Personal	26,684,597	23,399,366	14.0	29,935,854	27,123,802	10.4	56,620,451	50,523,168	12.1
Business	200,473,449	179,142,555	11.9	179,436,385	186,484,510	-3.8	379,909,834	365,627,065	3.9
Auto & Misc. Repair	163,057,417	158,384,961	3.0	160,923,323	152,902,727	5.2	323,980,740	311,287,688	4.1
Amusement & Recreation	111,110,646	110,723,317	0.3	74,168,911	80,118,906	-7.4	185,279,557	190,842,223	-2.9
Health	10,985,867	10,164,453	8.1	10,045,610	10,565,915	-4.9	21,031,477	20,730,368	1.5
Ed., Legal, Social	29,712,606	27,730,896	7.1	27,207,138	24,803,536	9.7	56,919,744	52,534,432	8.3
<b>Public Administration</b>	<b>5,129,182</b>	<b>4,344,520</b>	<b>18.1</b>	<b>5,209,779</b>	<b>5,122,246</b>	<b>1.7</b>	<b>10,338,961</b>	<b>9,466,766</b>	<b>9.2</b>
<b>Private Motor Vehicle Sales</b>	<b>43,873,335</b>	<b>49,006,034</b>	<b>-10.5</b>	<b>64,472,108</b>	<b>69,130,777</b>	<b>-6.7</b>	<b>108,345,443</b>	<b>118,136,811</b>	<b>-8.3</b>
<b>Occasional Retail Sales</b>	<b>4,083,728</b>	<b>3,608,952</b>	<b>13.2</b>	<b>15,372,154</b>	<b>10,520,111</b>	<b>46.1</b>	<b>19,455,882</b>	<b>14,129,063</b>	<b>37.7</b>
<b>Nondisclosable or Nonclassifiable</b>	<b>3,731,919</b>	<b>2,948,193</b>	<b>26.6</b>	<b>3,568,167</b>	<b>5,616,754</b>	<b>-36.5</b>	<b>7,300,086</b>	<b>8,564,947</b>	<b>-14.8</b>
<b>Total</b>	<b>\$3,810,689,511</b>	<b>\$3,656,379,592</b>	<b>4.2</b>	<b>\$3,864,748,248</b>	<b>\$3,919,677,096</b>	<b>-1.4</b>	<b>\$7,675,437,759</b>	<b>\$7,576,056,688</b>	<b>1.3</b>

\*\*Annual Average Only

Source: Utah State Tax Commission.

## **Here Comes the North American Industry Classification System**

Are you prepared for a big change? If you are familiar with how businesses are assigned an industrial classification, like manufacturing or retail trade or services, then you will need to retrain your thought process. The Standard Industrial Classification (SIC) coding system, which had served this nation well since its inception in the 1930's, has become outdated. Our economy is much different now than the way it looked in the 1930's, so it's time to adjust how we classify today's businesses.

This is being accomplished with the introduction of the North American Industry Classification System (NAICS), a federal-government system that is more in tune with our new and emerging industries. It as partners with our Canadian and Mexican neighbors, as they also adopt this system. An unfortunate consequence of this needed change is that the NAICS system presents such a drastic classification change that its comparison against the historic SIC industry composition is difficult. Fortunately, total employment is comparable.

The publication of 2002 employment data will be the first time economic growth will be measured using the NAICS system. During 2000 and 2001, Workforce Services has been assigning all businesses in Utah with a NAICS classification. By 2002, there will be a year's worth of data available, and year-over accounting will be published using a NAICS format. With the publication of 2002 data, the SIC format will no longer be used. For a preview of what the economy will look like under NAICS, please refer to the table on page 15.

As Bob Dylan once penned, "the times they are a changing." So be prepared to retrain your thought process and take a fresh new look at Utah's economic makeup.

<http://www.census.gov/epcd/www/naics.html>

# Labor market indicators

## Salt Lake County

	First Quarter (January-March)				Second Quarter (April-June)			
	2001(p)	2000	Percent Change	Numeric Change	2001(p)	2000	Percent Change	Numeric Change
<b>Civilian Labor Force*</b>	<b>496,700</b>	<b>477,461</b>	<b>4.0</b>	<b>19,239</b>	<b>496,367</b>	<b>478,793</b>	<b>3.7</b>	<b>17,574</b>
Employed	480,158	462,956	3.7	17,202	478,020	464,571	2.9	13,449
Unemployed	16,542	14,505	14.0	2,037	18,347	14,222	29.0	4,125
Percent of Labor force	3.3	3.0			3.7	3.0		
<b>Total Nonagricultural Jobs**</b>	<b>544,590</b>				<b>547,306</b>			
<b>Goods Production</b>	<b>88,830</b>				<b>89,712</b>			
Natural Resources and Mining	2,593				2,593			
Mining	2,275				2,289			
Construction	31,688				33,512			
Manufacturing	54,549				53,607			
<b>Service Production</b>	<b>455,760</b>				<b>457,594</b>			
Trade, Transportation, and Utilities	119,728				118,977			
Wholesale Trade	28,758				28,888			
Retail Trade	60,947				60,753			
Transportation and Warehousing	28,058				27,411			
Utilities	1,965				1,925			
Information	20,496				20,775			
Financial Activities	43,503				43,553			
Finance and Insurance	35,712				35,627			
Real Estate and Rental and Leasing	7,791				7,926			
Professional and Business Services	86,446				86,556			
Prof., Scientific, and Tech. Services	30,551				30,518			
Man. of Companies and Enterprises	16,161				16,107			
Admin./Support, Wast Man./Remediation	39,734				39,931			
Education and Health Services	45,499				46,168			
Educational Services	5,856				5,878			
Health Care and Social Assistance	39,643				40,290			
Leisure and Hospitality	44,008				44,006			
Arts, Entertainment, and Recreation	6,244				6,416			
Accommodation and Food Services	37,764				37,590			
Other Services	16,510				16,774			
Government	79,570				80,785			
Federal	8,388				8,452			
State	34,422				34,903			
Local	36,760				37,430			

# Employers' Corner



## Zoom in to Information about Your Local Area

### Work-Life Initiatives

Work-life programs focus on helping businesses become more successful by creating workplaces that support a diverse workforce and a culture that recognizes the work-life needs of its employees. Work-life programs and policies take many different forms, but businesses that truly benefit from work-life programs are the ones that align work-life strategies with business strategies, ensuring that their primary business and productivity objectives are supported by their efforts.

Utah's labor market has become increasingly competitive. Companies are doing all they can to attract and retain the best people and build profitable, productive businesses. Successful work/life programs can have a tremendous bottom-line impact by reducing turnover, enhancing recruitment, reducing absenteeism, improving retention, productivity, morale and strengthening employee commitment.

The following list highlights some of the work-life initiatives that Utah's Top Ten Most Family-Friendly Companies make available to their employees:

- On or near site child care
- Child Care Resource and Referral Services and Classes
- Flexible benefits
- Family Resource Library
- Parenting Classes
- Personal Development Classes
- Tuition Reimbursement for employee and dependents
- Fitness Centers on-site or discounted membership fees
- Domestic Partner Insurance Coverage
- Dedicated Lactation Room
- Alternative Medicine Discounts
- On-site Health Clinic with free immunizations for family
- Sabbatical Leave
- Children's Summer Camp
- Paid Time-Off to Volunteer

For addition information, call the Office of Child Care, 801/526-4340.



The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive employment-related and supportive services responsive to the needs of employers, job seekers, and the community.



Equal Opportunity Employment Program  
auxiliary aids and services are available upon request to individuals with disabilities. Call (801) 526-9240. Individuals with speech and/or hearing impairments may call the state relay at 1-800-346-4128.

### **Your local employment centers are located at:**

#### **Downtown**

158 South 200 West  
Salt Lake City, UT 84101  
801-524-9000

#### **Midvale**

7292 South State Street  
Midvale, UT 84047  
801-567-3800

#### **Magna Outreach Center**

3041 South 8560 West  
Magna, UT 84044  
801-250-2580

#### **Salt Lake Metro**

720 South 200 East  
Salt Lake City, UT 84111  
801-536-7000

#### **South County**

5735 South Redwood Road  
Taylorville, UT 84123  
801-269-4700

#### **Salt Lake Temporary Placement Office**

2861 South 900 West  
Salt Lake City, UT 84119  
801-975-4005

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**We welcome your comments, questions and feedback!**